

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held December 21, 2023

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Policy Statement on Public and Private Fire
Protection, 52 Pa. Code §§ 69.1501—69.1504

M-2022-3033054

FINAL POLICY STATEMENT

BY THE COMMISSION:

On November 10, 2022, the Pennsylvania Public Utility Commission (PUC or Commission) entered a Proposed Policy Statement and Order wherein the PUC set forth recommended guidelines for the provision of public and private fire protection service by water public utilities (Policy Statement). The Proposed Policy Statement was published in the *Pennsylvania Bulletin* at 53 Pa.B. 379 (January 14, 2023). The comment period closed on March 15, 2023. The Final Policy Statement is intended to provide water public utilities with a best practice guide for fire protection service and system hydraulic monitoring that the PUC considers reasonable and will be codified at 52 Pa. Code §§ 69.1501—69.1504. Ensuring that regulated fire protection service offerings are safe, reasonable, and adequate is a matter of utmost concern to the Commission and the public.

BACKGROUND AND PROCEDURAL HISTORY

The fire protection role of the Commonwealth’s regulated water public utilities is a matter of utmost public importance. Ensuring that regulated fire protection service offerings are safe, reasonable, and adequate is likewise a matter of utmost concern to the PUC. Public and private fire protection services, whether serving a ubiquitous roadside fire hydrant or a sophisticated private commercial sprinkler system, are expected to supply adequate water safely, reliably, and immediately upon demand.

Amendments to the Commonwealth’s Uniform Construction Code¹ over the past several decades have expanded the topic of fire protection to aspects of regulated water public utility service well beyond the provision of adequate numbers of functional fire hydrants. Internal fire protection services in the form of sprinkler systems have long been a requirement for commercial and industrial buildings. Municipal building codes and insurance requirements also increasingly mandate the installation of sprinkler systems in various types of residential construction as well. Lives and property depend on these emergency systems to work at a moment’s notice. In turn, sophisticated water distribution system design, construction, management, and operations are required to accommodate and serve this type of high-volume instantaneous demand.

¹ The Act of Nov. 10, 1999 (P.L. 491, No. 45) (35 P.S. §§ 7210.101—7210.1103), known as the Pennsylvania Construction Code Act (PCCA). The PCCA directed the Pennsylvania Department of Labor and Industry to oversee statewide application and periodic review of certain international building and mechanical codes (i.e., regulations) known collectively as the Uniform Construction Code, 34 Pa. Code §§ 401-405, (PaUCC), last amended effective February 2022. 52 Pa.B. 971 (2/12/2022). See also National Fire Protection Association 13 (NFPA 13) Standard for the Installation of Sprinkler Systems, Section 8.2.6.6.4 (2022), <https://www.nfpa.org/codes-and-standards/1/3/nfpa-13> (last accessed 11/22/2023).

On June 16, 2022, the PUC adopted the Motion of Commissioner Ralph V. Yanora. The Motion directed the PUC's Bureau of Technical Utility Services (TUS), in conjunction with the PUC's Law Bureau, to solicit input from Class A water public utilities on the development of a policy statement reflecting a best practices approach to those aspects of fire protection services subject to PUC oversight. On June 29, 2022, the PUC issued a Secretarial Letter seeking comment from Class A water public utilities on the proposed policy. The PUC sought input on two areas specifically: (1) the use of hydraulic distribution system modeling required for fire protection; and (2) fire protection service afforded by current system design requirements. The Secretarial Letter was published at 52 Pa.B. 4064 (July 16, 2022).

Comments on the proposed policy were received from Aqua Pennsylvania, Inc. (Aqua), Columbia Water Company (Columbia), and the National Association of Water Companies—Pennsylvania Chapter (NAWC).

On November 10, 2022, the PUC entered the Proposed Policy Statement Order which set forth the proposed contents of the Policy Statement. The Proposed Policy Statement Order was published at 53 Pa.B. 379 (January 14, 2023). On February 27, 2023, the PUC received comments on the Proposed Policy Statement from Aqua. On February 28, 2023, the PUC received comments from NAWC; Columbia, Community Utilities of Pennsylvania, Inc., and Audubon Water Company (Joint Commenters); and the Office of Consumer Advocate (OCA). On March 15, 2023, OCA filed reply comments.

DISCUSSION

The PUC received and reviewed the comments and reply comments filed in this proceeding. Based upon those comments and reply comments, the PUC has determined that it will proceed with a Final Policy Statement. We will first address the comments and reply comments related to language in the proposed Policy Statement. Thereafter, we will address comments and reply comments related to more general issues raised by the commenters.

I. Section 69.xx1. General Scope And Purpose

Section 69.xx1 of the Proposed Policy Statement conveyed the scope and purpose of the expected actions and level of public fire protection service and system hydraulic monitoring that the PUC considers reasonable.

A. Comments

NAWC asserts that the second sentence of Section 69.xx1(b) in the proposed policy statement is too broad and recommends starting the second sentence with “In providing fire protection services, . . .” NAWC Comments at 2. Aqua expressed that it fully supports the comments of NAWC. Aqua Comments at 1. For Section 69.xx1(b), OCA recommends a measured approach for requiring utilities to use and maintain computerized hydraulic models. OCA Comments at 5.

B. Resolution

The PUC reiterates that this Policy Statement is intended to *encourage* the investigation and planning that a water public utility should undertake to provide reasonable fire protection service throughout its service territory, with the understanding that this goal may take some time to accomplish. Water public utilities are encouraged to operate with a sophisticated level of technical expertise, including the use of modern water industry tools; however, water public utilities are afforded the opportunity to develop their own plan as to the implementation of computerized hydraulic models. The PUC has consistently explained that “a policy statement is intended to provide guidance regarding the policy the agency intends to implement in future adjudications.”²

To clarify that the language of Section 69.xx1(a) is intended to encourage, rather than require, water public utilities to provide reasonable fire protection service throughout the Commonwealth, the PUC will amend the last sentence of Section 69.xx1(a) by replacing “will consider” with “may consider” a water public utility’s efforts when determining just and reasonable rates for a water public utility. Moreover, while the PUC may consider the costs associated with implementing these guidelines and whether those costs may be recovered, the PUC notes that it is best guided by the applicable law related to rate cases.

The PUC will amend the first sentence of proposed Section 69.xx1(b) to state “Class A water public utility” rather than “Class A public water utilities” to be consistent with the defined term and remainder of the Policy Statement. The PUC also agrees with

² See, e.g., *Pa. PUC, et al. v. Philadelphia Gas Works*, Docket No. R-2023-3037933, (Order entered Nov. 9, 2023) (citing *In Re PGW Petition, Order and Proposed Policy Statement*, Docket No. P-2009-2136508, (Final Order entered April 19, 2010)). See also *Eastwood Nursing & Rehab. Ctr. v. Dept. of Public Welfare*, 910 A.2d 134, 143 (Pa. Commw. Ct. 2006); *Dep’t of Env’t Res. v. Rushton Min. Co.*, 591 A.2d 1168 (Pa. Commw. Ct. 1991) (A general statement of policy is an announcement to the public of the policy the agency hopes to implement and is not a binding rule).

the recommendation of NAWC and will amend the second sentence of proposed Section 69.xx1(b) to start with “In providing fire protection services,” to ensure that this sentence is unambiguous.

II. Section 69.xx2. Definitions

Section 69.xx2 of the Proposed Policy Statement included definitions to provide clarity and understanding to the Policy Statement.

A. Comments

NAWC supports the concept of defining “discrete system” the same way in both proposed Section 69.xx2 and proposed 52 Pa. Code § 65.20a(b) (relating to water conservation measures) in the *Water Audit Rulemaking* at Docket No. L-2020-3021932.³ Specifically, NAWC recommends modifying the proposed definition as delineated in its comments on Section 65.20a(b) in the *Water Audit Rulemaking* proceeding. NAWC Comments at 2-3. NAWC also suggests adding a definition for “fire protection connections.” NAWC Comments at 3.

B. Resolution

The PUC understands NAWC’s comments regarding “discrete system” as defined in proposed § 69.xx2 and proposed § 65.20a(b), but the PUC concludes that the definition of “discrete system” does not need to be modified for the Policy Statement. In the *Water Audit Rulemaking*, NAWC proposed minor clarifications to the definition of “discrete system” clarifying whether a “stand-alone pipe network” includes treatment works and revising the definition to include a large interconnected system with multiple

³ The goal of the Water Audit Rulemaking is to implement the American Water Works Association (AWWA) Water Audit methodology as a best management practice in water loss control in Pennsylvania.

water sources. However, the definition of “discrete system” included in the Proposed Policy Statement was purposefully crafted in such a way as to include the entirety of a pipeline network system and water sources (which includes water treatment plants and interconnections with other systems that are owned and operated by the same company). As such, the PUC will not expand the definition in the Policy Statement.

The PUC agrees with the comment of NAWC regarding adding a definition for “fire protection connection.” The term is not currently defined in the Public Utility Code or in PUC regulations. The PUC will also add definitions for “fire hydrant,” “flushing hydrant,” “fire protection service,” and “water public utility.” These revisions follow NAWC’s suggestion to add a definition for “fire protection connection,” to more clearly define the facilities and services covered by the Policy Statement, and to clarify the applicability of the Policy Statement recommendations to all PUC-jurisdictional water public utilities. The PUC will amend the definition of “Class A water public utility” to improve clarity. With the addition these definitions, the PUC will remove language throughout the Policy Statement and will replace it with these defined terms.

III. Section 69.xx3. Fire Protection Service Afforded By Current System Design

Section 69.xx3 of the Proposed Policy Statement proposed guidance regarding operating procedures.

A. Comments

NAWC is concerned about establishing the same parameters for both new and existing assets and asks the PUC to confirm that a public utility’s operating procedures can set different parameters for existing as compared to new fire protection connections and fire hydrants for proposed § 69.xx3. NAWC Comments at 3. OCA agrees with NAWC that any new policies should be implemented differently for existing fire

protection facilities. OCA Comments at 4. OCA also recommends that public utilities be permitted to set different minimum parameters for discrete systems (i.e., those that generate less annual revenue than a Class A water public utility) as this will provide flexibility for a utility to evaluate costs and benefits on a system-by-system basis, recognizing differences in existing facilities and operating characteristics in determining appropriate minimum parameters for fire protection service. OCA Comments at 6.

Regarding marking fire hydrants, NAWC recommends that hydrants not providing a minimum level of service be marked but does not support a complicated color-coding scheme to show expected levels of service. NAWC Comments at 4. NAWC further asserts that, regarding fire protection connections, proposed § 69.xx3(b)(3) as currently drafted is not clear as to what should be marked. OCA recommends that fire hydrants that do not provide acceptable fire flow be readily identifiable and that, where such hydrants can serve a useful purpose as a blow-off hydrant, the unacceptable-flow hydrants be marked as such instead of being removed. OCA Comments at 3 and 7.

NAWC recommends that, if a fire protection connection does not meet minimum requirements, the public utility should notify the owner of the property, the municipality, and the local fire department, preferably in writing. NAWC Comments at 7. OCA agrees with NAWC regarding the importance of notification to the owner of the property, the municipality, and the local fire department if a fire protection connection does not meet the public utility's minimum operating characteristics. OCA Comments at 3-4. In providing public notice regarding their marking system or public fire hydrant capacity, OCA suggests that public utilities could send that notice to customers at the same time and/or in the same manner that the public utility satisfies DEP requirements for delivering Consumer Confidence Reports.⁴ OCA Comments at 3. For private fire protection connections that do not meet minimum requirements, OCA agrees with

⁴ OCA cites www.dep.pa.gov/Citizens/My-Water/PublicDrinkingWater/Pages/Consumer-Confidence-Reports.aspx#.VkC7F6Mo59A (last accessed on November 21, 2023).

NAWC that the public utility should notify the owner of the property, the municipality, and the local fire department, preferably in writing. OCA Comments at 3-4, citing NAWC Comments to ANOPR at 7. OCA asserts that the public utility should also follow up with the customer to discuss ways to resolve the issue. OCA Comments at 3-4.

To improve clarity, NAWC recommends replacing “incapable of” with “not” for proposed §§ 69.xx3(b)(3) and 69.xx3(b)(4). NAWC Comments at 4. NAWC asserts that proposed § 69.xx3(b)(5) should be removed. NAWC Comments at 4. NAWC further recommends replacing “of” with “or” and changing “cannot” to “does not” in proposed § 69.xx3(b)(6). NAWC Comments at 5.

Aqua expressed that it fully supports the comments of NAWC. Aqua Comments at 1.

B. Resolution

For proposed § 69.xx3(b)(1), the PUC concludes that it does not need to confirm that a water public utility can set different parameters for new and existing fire protection connections and hydrants as this Policy Statement allows a water public utility the flexibility to set forth a methodology that works for its facilities. The Policy Statement affords a water public utility the flexibility to evaluate costs and benefits on a system-by-system basis recognizing differences in existing facilities and operating characteristics. The PUC, in its Policy Statement, is encouraging a water public utility to develop predetermined minimum operating characteristics for fire protection service, which may take a water public utility an extended period to be able to implement consistently across its various certificated service territories.

For proposed § 69.xx3(b)(1), the PUC will change the word “basis” to “methodology” to clarify that the determination is to be based on a definable methodology or standard. The PUC will also amend this subsection to explain that the determination is to set the “minimum operating characteristics by which [the water public utility] will provide” fire protection service.

The PUC will add language to proposed § 69.xx3(b)(2) specifying that the testing and maintenance program is for fire hydrants “owned or operated by a water public utility.” The PUC will add a sentence to the end of this subsection recommending that a water public utility encourage customers with private hydrants to test and exercise their private fire hydrants. This provision is being added to clarify the PUC’s recommendation and limit the scope of the suggested program to only those hydrants owned by the water public utility. The PUC does not intend for a water public utility to test private fire protection systems; however, the PUC notes that it is important for all hydrants to be tested and exercised, including private facilities.

Similarly, the PUC concludes that further clarification is not needed for proposed § 69.xx3(b)(3) as a water public utility has the flexibility to establish its own marking method consistent with its established minimum operating characteristics.

The PUC agrees with the comments of NAWC and will replace “incapable of” with “not” for proposed §§ 69.xx3(b)(3) and 69.xx3(b)(4) to improve clarity. The PUC agrees with the comments of OCA and will revise proposed § 69.xx3(b)(4) to include a provision allowing hydrants to be marked and used as flushing hydrants. Where the water public utility determines a fire hydrant does not provide service at the minimum operating characteristics for fire protection service and may serve a useful purpose as a flushing hydrant, the water public utility can mark the fire hydrant as such, either permanently or until the hydrant can be removed, remediated, or replaced. The PUC will

revise proposed §§ 69.xx3(b)(4) and 69.xx3(b)(6) to include the term “minimum operating characteristics” and provide consistency throughout this Section.

The PUC will remove proposed § 69.xx3(b)(5) and add § 69.1503(d), recommending that a water public utility, as part of an acquisition due diligence process, analyze and estimate the level of capital expenditures and associated timeframes for a water public utility to remediate, repair, or both, the water system to be acquired, to bring the fire protection service up to at least the water public utility’s minimum operating characteristics. Proposed § 69.xx3(b)(5) indicated that a water public utility’s operating procedures and best practices should include: “An analysis of the level of capital expenditures and associated timeframes for a water public utility to remediate, repair, or both a water system, as part of an acquisition due diligence process, required to bring the fire protection service up to at least the water public utility’s acceptable operating characteristics.” This was turned into § 69.1503(d) because requesting that a public utility complete this type of analysis was more appropriate as a standalone requirement than including it in operating procedures and practices. The requirements of § 69.1503(d) are intended to be a one-time analysis at the time of an acquisition rather than an ongoing standard operating procedure. The PUC notes that it has already included a provision at proposed § 69.xx3(b)(6) recommending a written notification process for any fire protection connection found not to be providing service at the minimum operating characteristics. The PUC is also revising proposed § 69.xx3(b)(6) by changing “cannot” to “found not to be providing” to improve clarity.

IV. Section 69.xx4. Hydraulic Distribution System Modeling Recommended For Fire Protection

Section 69.xx4 of the Proposed Policy Statement included guidance regarding the use of computerized hydraulic modeling.

A. Comments

For proposed § 69.xx4, NAWC recommends that the title be changed to replace the term “required” with “recommended.” NAWC Comments at 5. NAWC believes proposed § 69.xx4(a) is unnecessary and should be deleted. NAWC Comments at 5. NAWC asserts that the PUC should clarify the interplay of proposed §§ 69.xx4(b) and 69.xx4(c)(1). NAWC Comments at 5. Finally, NAWC recommends that proposed § 69.xx4(b) be modified to use the defined term “discrete system.” NAWC Comments at 5.

Aqua expressed that it fully supports the comments of NAWC. Aqua Comments at 1. Aqua further asserted that hydraulic modeling requirements for each system would require approximately five years and additional resources to adequately develop and routinely maintain, particularly for smaller systems where the costs may outweigh the benefit of such a model. Aqua Comments at 1.

For proposed § 69.xx4(b), OCA supports the flexibility to determine whether to use computerized hydraulic modeling but cautions that it should be used where the benefits of a computerized hydraulic model justify the costs required to build, calibrate, and maintain the model. OCA Comments at 8. For systems where a computerized hydraulic model is used for ongoing fire protection purposes, the schedule should be based on considerations other than time. *Id.* For example, it should be updated based on changes that impact the system’s ability to provide fire protection service, such as changes to the locations and water demands of major customers, number of customers, increase or decrease of distribution storage or pumping capacity of sources. *Id.*

B. Resolution

The PUC agrees with the comments of NAWC and will amend the title of proposed § 69.xx4 by replacing the term “Required” with “Recommended” as this is a policy statement and not a binding regulation. The PUC acknowledges NAWC’s comments regarding proposed § 69.xx4(a). However, instead of removing proposed § 69.xx4(a), the PUC will combine § 69.xx4(b) with § 69.xx4(a) as the background in proposed § 69.xx4(a) explains the recommendation for water public utilities to use hydraulic distribution system modeling. The PUC will also renumber the proposed § 69.xx4(c) to § 69.xx4(b) and include the defined term “discrete system” to ensure consistency and clarity throughout the Policy Statement.

V. Rate Impact And Cost Concerns

A. Comments

OCA is concerned about the cost and disruption to customers if utilities are required to redesign and resize existing systems. OCA Comments at 4. Aqua expressed concern that extensive infrastructure upgrades for facilities to provide fire protection services may not be economically feasible in certain areas of its service territory. Aqua Comments at 1.

The Joint Commenters assert that the fact that a public utility does not yet have a plan should not be considered as a reason to deny any portion of a requested rate increase. Joint Comments at 2. The Joint Commenters request that the PUC make it clear to ratepayers, when adjudicating a rate case, if the public utility is expending funds to further the PUC’s policy on fire protection. Joint Comments at 3. The Joint Commenters further assert that there is significant expense associated with the implementation of hydraulic modeling and consistent updates and that the PUC should

ensure, in adjudicating future rate proceedings, that costs associated with implementation of the policy statement are fully recoverable in rates. Joint Comments at 3.

OCA responds that the PUC cannot guarantee full rate recovery related to compliance with the Policy Statement as such a decision would be inappropriate and inconsistent with the Public Utility Code. OCA Reply Comments at 2. OCA explains that a public utility's decision whether to use and maintain computerized hydraulic models, and to claim recovery for costs incurred, if it chooses to do so, should be subject to review and should be recoverable if and only to the extent that the public utility shows that its service and facilities are safe, adequate and reasonable and that any claims for cost recovery are for expenditures that were also prudent and reasonable. OCA Reply Comments at 3. OCA requests that the PUC clarify, and include in the Policy Statement, a statement that a water public utility's determinations and plans, and related claims for cost recovery, will be subject to review in public utility base rate cases. OCA Reply Comments at 3. OCA recommends that any new policies should be implemented differently for existing fire protection facilities. OCA Comments at 4.

Aqua asserts that extensive infrastructure upgrades for facilities to provide fire protection services may not be economically feasible in certain areas of its service territory. Aqua Comments at 1.

B. Resolution

The PUC has included a provision at proposed § 69.xx1(a) stating that the PUC may consider a water public utility's effort to meet the recommendations in this Policy Statement when determining just and reasonable rates for the water public utility. While the Commission may consider the costs associated with implementing these guidelines and whether those costs may be recovered, the Commission is best guided by the applicable law related to rate cases. The PUC reiterates that this Policy Statement is

intended to encourage the necessary investigation and planning that a water public utility should undertake to provide an equivalent level of service throughout its various service territories, with the understanding that this goal will take time to accomplish.

VI. Shared Responsibility and Other Agency Oversight

A. Comments

Aqua asserts that the provision of fire protection should not be the sole responsibility of a water public utility. Aqua Comments at 1.

OCA agrees with other commenters that PUC guidelines should harmonize with other existing guidance which includes the guidance of the DEP, the UCC, and the AWWA Manual, to minimize costs of compliance. OCA Comments at 2. OCA also suggests that a public utility be encouraged to share this information with local fire services and municipalities. OCA Comments at 3.

The Joint Commenters request the PUC to make clear that a public utility has the discretion to otherwise assist local fire departments in ensuring reasonable fire service is available for those properties that are not able to be served by the public utility's system and that demonstration that such an adequate alternate plan exists should be considered "compliant" with the Policy Statement. Joint Comments at 3-4.

B. Resolution

It should be noted that the PUC's Policy Statement is consistent with existing guidance related to fire protection service. The Policy Statement encourages a water public utility to meet certain standards regarding fire protection service and does not

prohibit a water public utility from coordinating with other entities, such as local fire departments, to ensure reasonable fire service is available.

C. Ministerial

The PUC has also made several non-substantive ministerial revisions to the proposed Policy Statement as set forth in Annex A which include: established a numbering sequence for the Policy Statement that is consistent with Chapter 69 in Title 52 of the Pennsylvania Code;⁵ corrected spacing, capitalization and punctuation errors; uncapitalized “Computerized Hydraulic Model” in proposed § 69.xx2; changed “water public utilities” to “a water public utility” throughout; and added the word “systems” to proposed § 69.xx4(b)(3).

CONCLUSION

Accordingly, pursuant to 66 Pa.C.S. §§ 501, 505, 506, and 512, we will adopt as final the Policy Statement as set forth in Annex A, attached hereto; **THEREFORE**,

IT IS ORDERED:

1. That the Public Utility Commission will adopt the Final Policy Statement as set forth in Annex A to this Order.
2. That this Final Order and Annex A will be posted on the Public Utility Commission’s website.

⁵ The proposed Annex reflected §§ 69.XX1—69.XX4; those sections correspond linearly to §§ 69.1501—69.1504 in the final Policy Statement as set forth in the Annex A attached to this Final Policy Statement.

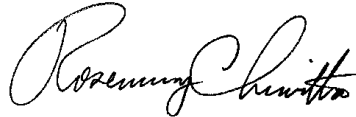
3. That the Law Bureau will deliver this Order and Annex A to the Governor's Office of the Budget for fiscal review.

4. That, after receipt of the fiscal note from the Governor's Office of the Budget, the Law Bureau will deposit this Order and Annex A with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.

5. That this Policy Statement will become effective upon publication in the *Pennsylvania Bulletin*.

6. That the contact persons for this matter are Stephanie A. Wilson, Assistant Counsel, Law Bureau, 717-787-1859, stepwilson@pa.gov; Joseph P. Cardinale, Jr., Assistant Counsel, Law Bureau, 717-787-5558, jcardinale@pa.gov; and Karen Thorne, Regulatory Review Assistant, 717-772-4597, kthorne@pa.gov.

BY THE COMMISSION,



Rosemary Chiavetta,
Secretary

(SEAL)

ORDER ADOPTED: December 21, 2023

ORDER ENTERED: January 9, 2024

ANNEX

A

ANNEX A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 69. GENERAL ORDERS, POLICY STATEMENTS AND GUIDELINES ON FIXED UTILITIES

PUBLIC FIRE PROTECTION SERVICE AND SYSTEM HYDRAULIC MONITORING—STATEMENT OF POLICY

[§ 69.xx1] § 69.1501. General Scope and Purpose.

(a) All water public utilities.

The coordination and consistent application of safe, adequate, and reliable fire protection service offers a tremendous benefit to public safety, emergency fire protection organizations, and associated personnel. Safe, reasonable, and adequate regulated fire protection service offerings are a matter of utmost concern to the Commission. The policies and recommendations in this Policy Statement are intended to provide water public utilities with a guideline of the recommended actions and level of public fire protection service and system hydraulic monitoring that the Commission considers reasonable. The Commission **[will] may** consider a water public utility's effort to meet the recommendations in this Policy Statement when determining just and reasonable rates for the water public utility.

(b) Class A water public utilities.

Fire protection services are often provided by Class A **water** public **[water]** utilities. **In providing fire protection services, a** Class A water public **[utilities] utility** should operate with a sophisticated level of technical expertise including the use of modern water industry tools such as computerized hydraulic modeling software.

[§ 69.xx2] §69.1502. Definitions.

The following words and terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise:

Class A water public utility—**A water public utility that is a Class A water utility** as defined in Section 56.2 **(relating to definitions)** of the Commission's regulations **[at 52 Pa. Code § 56.2]**.

Computerized [Hydraulic Model] hydraulic model—[a] A computer-based mathematical simulation used to predict the performance of a water system.

Discrete system—A stand-alone pipe network with boundaries that encompass all sources of water and endpoints.

Fire hydrant—**An above-ground, valved connection to a water distribution system having one or more outlets that is used to supply water for fire suppression.**

Flushing hydrant—**An above-ground, valved connection to a water distribution system having one or more outlets that is used for flushing a water line of detritus material or stagnant water.**

Fire protection connection—**The pipes and appurtenances owned or operated by a water public utility extending from a water supply main to a designated location, either adjacent to or within a structure or structures equipped with automatic fire sprinklers or other fire suppression devices or systems or to a fire hydrant, through which supplemental water is used to supply water for fire suppression or extinguishment.**

Fire protection service—**The provision of the necessary facilities and the completion of certain activities to include the required maintenance by a water public utility related to the supply of water to a customer or the public for the purpose of fire suppression or extinguishment.**

Water public utility—**The term includes any of the following definitions:**

(1) A “public utility,” as defined in 66 Pa.C.S. § 102 (relating to definitions).

(2) An “authority” as defined in in 66 Pa.C.S. § 3201 (relating to definitions).

(3) A “municipal corporation”, as defined in 66 Pa.C.S. § 102, to the extent its extraterritorial water service and rates are regulated by the Commission.

[§ 69.xx3] **§ 69.1503. Fire Protection Service Afforded by Current System Design.**

(a) A water public utility’s operating procedures and best practices related to fire protection [services, including fire protection connections and public and private fire hydrant] service should be maintained within this Commonwealth at an office or offices of the **water** public utility located in the territory served by it and should be open for examination by the Commission.

(b) A water public utility’s operating procedures and best practices related to fire protection service should include all of the following:

(1) A determination, based on a definable **[basis] methodology** or standard or both, of operating characteristics such as minimum flow, pressure, and duration of flow and pressure that the water public utility will consider **[as] its minimum operating [parameters] characteristics [for] by which it will provide** fire protection **[connections and public and private fire hydrant] service**. These predetermined minimum operating characteristics should be applied to all fire protection connections **[and fire hydrants of a water public utility]**.

(2) A fire hydrant testing and maintenance program to ensure that all **[public and private] fire hydrants owned or operated by a water public utility** within a discrete system are tested and exercised on a specified schedule as determined operationally and economically feasible by the water public utility. **A water public utility may encourage customers with private fire hydrants to test and exercise their private fire hydrants.**

(3) A method to clearly mark and identify each fire **[hydrant and each fire] protection connection found not to be providing service at the water public utility's minimum operating characteristics for fire protection connections [and fire hydrant service]**.

(4) An estimated schedule to remove, remediate, or replace a **[fire hydrant or] fire [service] protection connection found not to be [incapable of] providing service at the water public utility's minimum [parameters] operating characteristics for fire protection [connections and fire hydrant] service. **Where the water public utility determines a fire hydrant does not provide service at the minimum operating characteristics for fire protection service and may serve a useful purpose as a flushing hydrant, the water public utility can mark the fire hydrant as such, either permanently or until the hydrant can be removed, remediated or replaced.****

[(5) An analysis of the level of capital expenditures and associated timeframes for a water public utility to remediate, repair, or both, a water system, as part of an acquisition due diligence process, required to bring the fire protection service up to at least the water public utility's acceptable operating characteristics.]

[(6) (5) A written notification process to affected customers and local jurisdictions that may include property owners, the municipality, and the local fire department of the location of any fire protection connection [or fire hydrant that cannot meet] found not to be providing service at the water public utility's [acceptable] minimum operating characteristics.

(c) In conjunction with its obligations under 52 Pa. Code § 65.4 (relating to records), a water public utility that provides fire protection [connections and fire hydrant] service should update its maps, plans, and records to include the location of and, if feasible, the

last known operating characteristics of all [public and private fire hydrants and] fire protection connections.

(d) In conjunction with its obligations under 66 Pa.C.S. § 505 (relating to its duty to furnish information to commission and cooperation in valuing property) a water public utility should, as part of an acquisition due diligence process, analyze and estimate the level of capital expenditures and associated timeframes for a water public utility to remediate, repair, or both, a water system required to bring the fire protection service up to at least the water public utility's minimum operating characteristics.

[§ 69.xx4] § 69.1504. Hydraulic Distribution System Modeling [Required] Recommended for Fire Protection.

[(a) Hydraulic Distribution System Modeling is a valuable aide in forecasting system capabilities under varying operational conditions.]

[(b) (a) A Class A water public [utilities] utility should develop and implement a plan to create, use and maintain a computerized hydraulic model for each discrete [water] system as hydraulic distribution system modeling is a valuable aide in forecasting system capabilities under varying operational conditions.

[(c) (b) The plan should address all of the following:

(1) A determination of the minimum water system size, based upon the complexity of the distribution pipe network and water service requirements, that should have a model.

(2) An identification of the commercially available hydraulic modeling software to be used.

(3) A description of how data from the public utility's other informational databases and systems can be integrated into the computerized hydraulic model, including geographic information systems, supervisory control and data acquisition systems, and customer information systems.

(4) A schedule by which the computerized hydraulic model will be calibrated, updated, and maintained to ensure the accuracy is sufficient to reasonably predict a discrete system's operational behavior to a determined level of accuracy set by the water public utility.